



Department of City Development

City Plan Commission
Historic Preservation Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

DATE: April 30, 2012

TO: Members of the Joint Review Board for Milwaukee Tax Incremental
Finance Districts
Mark Nicolini, City of Milwaukee; Chair
Brian Taffora, Milwaukee County
James Williams, Milwaukee Area Technical College
Gerald Pace, Milwaukee Public Schools
Robert Rondini, Redevelopment Authority Commissioner;
Citizen Member

FROM: Rocky Marcoux, Commissioner

SUBJECT: 2011 Annual Report of Milwaukee's Tax Incremental Finance Districts

Enclosed is the Annual Report of Milwaukee's Tax Incremental Finance Districts for the year ended December 31, 2011. The report covers project accomplishments for each district, a summary of costs and revenues, and an estimate of when the district is likely to recover its project costs. Given the extent of the report, this information may be accessed for each district at: <http://city.milwaukee.gov/TaxIncrementalFinancing.htm>.

At this time, Milwaukee has 46 Tax Incremental Districts (TIDs). No new districts were created or closed in 2011. Several districts were amended: Park East III (TID 48), Cathedral Place (49), Menomonee Valley Industrial Center (53), Falk/Rexnord (63), and S. 27th & W. Howard Ave (76).

The total incremental property value in all districts was approximately \$1.1 billion. This represents 3.9% of the City's 2011 property value of \$28 billion. The average for all other municipalities with TIDs, which also have a tax base of \$5 billion or more, was 2.53%.

Project costs remaining to be recovered through future tax incremental revenue, including debt service on outstanding bonds, or bonds to be sold, plus funds advanced by businesses through "pay as you go" districts, are now estimated at \$269 million - compared with \$305 million in 2010.

In 2010, 31 of the 46 districts declined in value. In 2011, 25 districts continued to decline, while the balance increased in value. Also in 2011, the Wisconsin Department of Revenue corrected its understatement of property value in 2010 in certain districts.

In early 2012, the Attorney General of the State of Wisconsin issued his legal opinion on the use of TID funding for street paving work outside TID boundaries. Following that, the Joint Review Board approved funding for paving specific street segments adjacent to TID 34 (Third Ward Riverwalk). Proposed guidelines will limit this type of funding to street segments which contribute to the redevelopment work funded by the TID Project Plan, and be limited to an amount not to exceed the final year's incremental revenue from the district.

A summary of districts estimated to fully recover their costs are listed in the table below. These are estimates and are subject to audit and, in some cases, the issuance of future debt to finance project costs already incurred. The inclusion of additional interest costs for any TID may increase the time necessary to retire that district.

In addition, given the continuing weakness in the economy, certain districts may need to receive donations from other districts in order to recover their project costs in a timely manner. Amendments for these donations will be introduced later this year and require Common Council and Joint Review Board approval.

We will be pleased to answer any questions you may have.

District No.	District Name	Projected Year Project Costs are Recovered (Levy Year)	2011 Incremental Property Value
18	New Covenant Housing	2011	\$ 2,304,800
22	Beer Line B	2012	\$199,766,700
28	City Homes	2012	\$ 9,261,600
30	Library Hill	2011	\$ 29,319,000
34	Third Ward Riverwalk	2010	
35	27 th & Wisconsin Ave.	2011	\$ (833,000)
40	West North Ave.	2011	\$ 16,949,800
42	MidTowne Center	2011	\$ 47,859,300
44	Lindsay Heights	2011	\$ 54,013,800
47	875 E. Wisconsin Ave.	2011	\$ 48,475,700
55	Holt Plaza	2011	\$ 15,976,100
56	Erie / Jefferson St.	2011	\$104,195,800

Enclosure